

HOUSE FINANCE, WAYS AND MEANS COMMITTEE AMENDMENT NO. 1

AMENDMENT NO. _____

Signature of Sponsor

AMEND Senate Bill No. 3056

House Bill No. 2873*

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

by deleting Section 1 of the printed bill in its entirety and substituting therefor the following:

Section 1. Tennessee Code Annotated, Section 9-6-120, is amended by deleting the existing language in its entirety and substituting therefor the following:

(a) There is hereby created on the books and records of the state treasury a reserve account in the general fund to be known as the reserve for revenue fluctuations. Amounts which may from time to time be in this reserve shall be available, as hereinafter provided, to meet unexpected shortfalls of revenue or to meet expenditure requirements in excess of budgeted appropriation levels.

Each year, beginning with the budget for the 1998-99 fiscal year, the governor shall include in the budget document and the appropriation bill prepared pursuant to § 9-6-106, an amount to be allocated to this reserve at least equal to ten percent (10%) of the estimated growth in state tax revenues to be allocated to the general fund and the education trust fund. This allocation shall be included in the budget presented each year until the amount in the reserve equals five percent (5%) of the estimated state tax revenues to be allocated to the general fund and the education trust fund for that year. In subsequent budgets, the governor shall include an allocation to the reserve equal to the lesser of: (i) an amount equal to ten percent (10%) of the estimated growth in state tax revenues to be allocated to the general fund and the education trust

HOUSE FINANCE, WAYS AND MEANS COMMITTEE AMENDMENT NO. 1

AMENDMENT NO. _____

Signature of Sponsor

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 3056

House Bill No. 2873*

fund or (ii) an amount sufficient to maintain the reserve at five percent (5%) of the estimated state tax revenues to be allocated to the general fund and the education trust fund for that year.

(b) Amounts available in the revenue fluctuation reserve may be used by the commissioner of finance and administration to offset shortfalls in state tax revenues which may occur and for which funds are not otherwise available. It is hereby declared to be the legislative intent that to the extent practical, all revenue shortfalls will be offset by reductions in expenditures before using amounts in the revenue fluctuation reserve.

(c) Upon determining that it is likely that amounts in the revenue fluctuation reserve will be required to be utilized to meet a shortfall of state tax revenue, the commissioner shall report this determination immediately to the chairs of the finance, ways and means committees of the senate and the house of representatives.

(d) Subject to specific provisions of the appropriation act, an amount not to exceed the greater of one hundred million dollars (\$100,000,000) or one-half of the amount available in the reserve may be used by the commissioner of finance and administration to meet expenditure requirements in excess of budgeted appropriation levels. It is hereby declared to be the legislative intent that any such excess expenditure requirements be avoided by reducing such requirements insofar as possible. Prior to using any amounts in the reserve for

HOUSE FINANCE, WAYS AND MEANS COMMITTEE AMENDMENT NO. 1

AMENDMENT NO._____

Signature of Sponsor

AMEND Senate Bill No. 3056

House Bill No. 2873*

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

this purpose, the commissioner shall notify the secretary of the state funding board and the chairs of the finance, ways and means committees of the senate and the house of representatives that the reserve funds are to be used for this purpose.